



DEPARTMENT OF THE ARMY  
OFFICE OF THE DEPUTY CHIEF OF STAFF, G-1  
5440 STUDENT DRIVE  
ABERDEEN PROVING GROUND, MD 21005-5200

30 December 2004

PECP-HRP

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Eligibility for Separations under the Voluntary Early Retirement Authority (VERA) and/or Voluntary Separation Incentive Payment (VSIP) Policy  
Civilian Human Resources Agency (CHRA) Guidance Memo No. **26-04**

1. Reference:

a. Memo, Office of the Under Secretary of Defense, subj: National Security Personnel System - Voluntary Separation Incentive Pay (VSIP) and Voluntary Early Retirement Authority (VERA) Policy, dated December 30, 2003.

b. E-mail message from CHRA, subj: Request for Assistance, ABC-C  
VERA/VSIP  
Notification, dated August 17, 2004.

2. The purpose of this memo is to introduce several new "job aids" to ensure proper compliance and eligibility for such separations, and to clarify the roles of the Army Benefits Center-Civilian (ABC-C) in this process.

3. It is imperative that all applicants for VERA and/or VSIP meet the eligibility criteria as outlined in the DoD policy, and that retirement applicants are in fact eligible for an immediate annuity based on age and length of service requirements.

- **VERA and/or VSIP Eligibility Checklist** – This checklist is a summary of the eligibility criteria outlined in the DoD policy and should be applied to all employees who apply for VERA and/or VSIP. It is intended to help ensure that all separations and payments comply with the policy in terms of eligibility and securing proper approvals and waivers. It does not, however, eliminate the need to follow the guidance and procedures outlined in the policy. When completing the checklist, any response that falls into the gray section is an indication that the employee may not be eligible or that additional action is necessary. This checklist is for your internal use only and should not be submitted to the ABC-C (encl 1).
- **Retirement System Credit Summary** – This summary is intended to help advisory center personnel exclude employees who do not meet the age and service requirements for immediate retirement and be familiar with the conditions for credit where retirement eligibility is contingent upon the payment of a military deposit or civilian deposit or redeposit, in order to

inform the employees concerned. Advisory centers must be cautious not to provide information that could be misconstrued as "counseling" when informing employees of such provisions. The ABC-C is most willing to work with employees and advisory center staff to confirm eligibility prior to the employee's submission of the retirement application (encl 2).

- **VSIP Payment Agreements** - Agreements for all three payment options are enclosed. CHRA had previously requested that only the agreements in the DoD policy be used as they contain all of the required information. This is still true; however, the agreements have been recreated as Word documents for convenience. Please do not submit locally created versions. If your activity wishes to capture any additional information, request the use of a supplemental sheet for this purpose and only submit the standard agreements to the ABC-C (encl 3).

4. The ABC-C is not responsible for verifying that the VERA/VSIP eligibility criteria has been met and/or that special waivers are required and appropriately signed. Likewise, the same is true for operation centers when processing resignations with VSIP. The ABC-C does, however, verify retirement eligibility based on age and service, ensures that all documents contain the same separation effective date and checks that Change to Lower Grade actions have been processed on VSIP recipients who are on a temporary promotion.

5. Advisory center personnel are asked to continue contacting the ABC-C to report an expected high volume of retirements, VERA or otherwise, via the previously issued spreadsheet. Additionally, advisory centers should contact the ABC-C concerning requests for expedited annuity estimates to help employees make this important decision.

6. The point of contact in CHRA is Lynn Swingle, Com 410-306-1758, DSN 458-1758, or e-mail to [lynn.swingle@chra.army.mil](mailto:lynn.swingle@chra.army.mil).

Encls

  
MICHAEL L. VAJDA  
Director, Civilian Human  
Resources Agency

**DISTRIBUTION:**

ALL REGIONAL CIVILIAN HUMAN RESOURCES DIRECTORS  
ALL OPERATION CENTER DIRECTORS  
ALL ADVISORY CENTER CHIEFS



**ELIGIBILITY CHECKLIST****Voluntary Early Retirement Authority (VERA) and/or Voluntary Separation Incentive Payment (VSIP)***(See Instructions in CHRA Guidance Memo No.26-04)***Employee Name:****Organization:****Date:**

<b>Part A – VERA Eligibility Checklist – If any response is in the gray area, the employee may not be eligible for VERA; refer to DoD policy.</b>	<b>YES/TRUE</b>	<b>NO</b>
1. Employee has been continuously employed within the DoD for more than 30 days. <i>(Before the date on which the determination to conduct a workforce reduction or restructuring action has been approved.)</i>		
2. Employee is serving on an appointment <i>without</i> time limitation.		
3. Employee has not received a decision notice of involuntary separation for misconduct or unacceptable performance.		
4. Employee is not a reemployed annuitant under subchapter III of 5 U.S.C. chapter 83 or chapter 84, or any other retirement system for employees of the Federal Government.		
5. Employee meets the age and service requirements for an early optional retirement. <i>(Specifically, age 50 with 20 years of creditable service, or, with 25 years of creditable service at any age. See the document Retirement System Credit Summary and consult with the Army Benefits Center-Civilian on questions pertaining to retirement eligibility.)</i>		
<b>PART B - VSIP Eligibility Checklist for Retirement or Resignation - Apply to employees applying for VSIP with either a retirement or resignation. If any response is in the gray area, the employee may not be eligible for VSIP; refer to DoD policy.</b>		
1. Employee is not a U.S. citizen as defined by 5 U.S.C. 9902(i).		
2. Employee is serving on an appointment with a time limitation <i>and/or</i> has been employed by DoD for less than 12 continuous months.		
3. Employee is a non-compensated employee.		
4. Employee is, or would be eligible for disability retirement under any Federal employees retirement system.		
5. Employee has accepted a position in another Federal agency.		
6. Employee has received a specific notice of RIF separation.		
7. Employee has declined to relocate with his/her position, or declined a transfer of function.		
8. Employee is a reemployed annuitant under subchapter III of 5 U.S.C. chapter 83 or chapter 84, or any other retirement system for employees of the Federal Government.		
9. Employee has received a decision notice of involuntary separation for misconduct or unacceptable performance.		
10. Employee has previously received a separation incentive payment.		
<b>Part C - VSIP Eligible Only By Approved Waiver – Waivers may be granted on a case-by-case basis by the installation commander or activity head. *For cases involving special salary rates, waivers must be approved by the Assistant Secretary of the Army. All approvals shall be documented in writing. If any response is in the gray area, then the employee is only eligible with approved waiver; refer to DoD policy.</b>		
1. Employee is covered by a written service agreement resulting from a Permanent Change of Station (PCS) or training.		
2. Employee is in receipt of a recruitment or relocation bonus, or is receiving a retention allowance.		
3. Employee is occupying a position defined as "hard to fill".		
4. *Employee is occupying a position for which special salary rates are approved.		
<b>Part D – VERA/VSIP Eligible – If response is in gray, additional action must be taken.</b>		
1. Employee is currently in receipt of OWCP benefits. <i>If so, notify Department of Labor, OWCP.</i>		
2. Employee is/will be on a temporary promotion on the date of a separation with VSIP. <i>If so, a Change to Lower Grade action must be processed before the employee separates with a VSIP.</i>		
3. If employee meets eligibility criteria for VERA and/or VSIP, please ensure that: a. only the VSIP agreement as shown in the DoD Policy or CHRA guidance memo is used; b. the agreement is properly completed and signed by the employee and a HR Representative, c. the separation date is within the prescribed window.	If eligible, ✓ ✓ ✓	
<b>PART E – Senior Executive Service (SES) or Equivalent VERA and/or VSIP Eligibility</b>		
Employee is a member of the SES or equivalent. <i>If yes, separation and/or incentive payment must be approved by the Principal Deputy Under Secretary of Defense (Personnel and Readiness)– refer to DoD policy.</i>		

Prepared by: \_\_\_\_\_ ELIGIBLE \_\_\_\_\_ Waiver/other requirement \_\_\_\_\_ INELIGIBLE \_\_\_\_\_

Enc 1



### Retirement System Credit Summary

All of the service that is included in an employee's Service Computation Date (SCD) for leave accrual is not necessarily creditable towards retirement eligibility, especially under FERS. Certain service, such as previous FERS service for which a refund of retirement contributions was taken, is no longer considered creditable service towards retirement eligibility. Additionally, in some cases, service credit for retirement is contingent upon a paid deposit (buyback) for certain civilian and military service. If you have any questions concerning creditable service for retirement purposes, please check with an ABC-C benefits counselor.

Optional (Voluntary) Retirement			
CSRS/CSRS OFFSET		FERS	
Age	Years of Service	Age	Years of Service
55	30	*MRA	10**
60	20	MRA	30
62	5	60	20
		62	5

#### Voluntary Early Retirement Authority (VERA) (both CSRS and FERS)

25 years at any age  
50 years of age with 20 years of service

\*MRA – Minimum Retirement Age

\*\*Reduced Annuity

NOTE: Firefighters (FF), Law Enforcement Officers (LEO), and Air Traffic Controllers (ATC) may retire voluntarily under special retirement provisions if they meet the following age and service requirements:

· Firefighters/Law Enforcement Officers: If CSRS, age 50 with 20 years of FF or LEO civilian service. If FERS, age 50 with 20 years FF or LEO civilian service, or any age with 25 years FF or LEO civilian service.

· Air Traffic Controllers: Age 50 with 20 years ATC civilian service, or any age with 25 years ATC civilian service. Applies to both CSRS and FERS.

#### FERS Minimum Retirement Age (MRA) Chart

If You Were Born In:	Your MRA Is:
Before 1948	55 years
1948	55 years, 2 months
1949	55 years, 4 months
1950	55 years, 6 months
1951	55 years, 8 months
1952	55 years, 10 months
1953 – 1964	56 years
1965	56 years, 2 months
1966	56 years, 4 months
1967	56 years, 6 months
1968	56 years, 8 months
1969	56 years, 10 months
1970 or after	57 years

## PART 1. RULES APPLICABLE TO BOTH CSRS AND FERS

### CIVILIAN SERVICE:

- ✓ Employee must have performed at least five years of creditable civilian service and meet age and service requirements in order to be eligible for voluntary retirement with an immediate annuity.
- ✓ Certain NAF service may be creditable (see CH 20, Section 20A2.1-5). Consult with an ABC-C benefits counselor.
- ✓ LWOP: SCD adjustments due to excessive LWOP will impact retirement eligibility. Exceptions include periods of nonpay status while performing active duty military service and while in receipt of benefits from the Office of Workers' Compensation.

### RETIRED MILITARY:

- ✓ Military service that was not used in the computation of military retired pay may be creditable towards retirement eligibility.
- ✓ Service is creditable towards retirement if the employee waives retired military pay and makes a Post-56 deposit, if applicable.
- ✓ Military retired pay awarded for (1) a service-connected disability incurred in combat with an enemy of the US; or (2) on account of a service-connected disability caused by an instrumentality of war incurred in the line of duty during a period of war or (3) Under provision of 10 U.S.C. 12731-12739 (retired pay under Chapter 1223 for members of the reserves).

## PART 2. RULES APPLICABLE TO CSRS CSRS AND /CSRS OFFSET

*This section applies to employees who are now under CSRS or CSRS Offset. If employee is now FERS, refer to the FERS section, even if the employee had once been under CSRS. The FERS chart will reference applicable CSRS rules.*

### CIVILIAN SERVICE:

- ✓ All service subject to CSRS deductions is creditable towards retirement eligibility. This is true even if the employee had applied for a refund of CSRS contributions after a separation.
- ✓ All service subject to "FICA", such as temporary or term appointment service is creditable towards retirement eligibility (*may not be creditable towards annuity computation without deposit.*)

### MILITARY SERVICE:

- ✓ If the CSRS employee was hired before 10-01-82, then retirement eligibility credit is given for creditable military service IAW CH 22 of the CSRS and FERS Handbook. A deposit does not have to be made for eligibility credit.
- ✓ If the CSRS employee was hired *on or after* 10-01-82, a Post-56 deposit must be paid in order for the service to count towards retirement eligibility.



### PART 3. RULES APPLICABLE TO FERS

***If employee is now FERS, use this section even if the employee had once performed service under CSRS. This chart will make applicable references to the CSRS section.***

#### CIVILIAN SERVICE:

- ✓ All service subject to FERS deductions is creditable towards retirement eligibility. However, if the employee had ever separated and applied for a refund of FERS deductions, the period of service covered by the refund does not count towards retirement eligibility. *This service may not be redeposited.* A PERIOD OF FERS SERVICE FOR WHICH A REFUND OF FERS DEDUCTIONS WAS TAKEN IS NOT CREDITABLE TOWARDS RETIREMENT ELIGIBILITY.

NOTE: Any CSRS Interim/CSRS Offset service is creditable under FERS rules if the employee later became FERS either through automatic placement or election, therefore, FERS crediting rules apply.

#### **FERS – Automatic Coverage**

- ✓ Employee must make a redeposit for any period of CSRS service for which a refund was taken, otherwise, the period(s) of service do not count towards retirement eligibility.
- ✓ Service without retirement deductions performed after 01-01-1989 is not creditable for retirement purposes. A deposit cannot be made for this service.
- ✓ Service without retirement deductions performed before 01-01-1989 is creditable towards retirement only if a deposit is paid for the period(s) of service.

#### **FERS – Elected Coverage (also referred to as a *transferee*)**

- ✓ If an employee elected coverage under FERS, all service, including military service, performed before the effective date of the FERS election is subject to the CSRS crediting rules. See CSRS section.

#### MILITARY SERVICE:

- ✓ If an employee has automatic FERS coverage or if the military service was performed after the employee becomes subject to FERS, all Post-56 deposits must be paid in order for the service to count towards retirement eligibility.

#### **References: CSRS and FERS Handbook**

Chapter 20 Creditable Civilian Service

See also Appendix B, Table of Creditable Service

Chapter 21 Service Credit Payments for Civilian Service

Chapter 22 Creditable Military Service

Chapter 23 Service Credit Payments for Post-56 Military Service

- Name: \_\_\_\_\_
- |      |       |    |
|------|-------|----|
| Last | First | MI |
|------|-------|----|

Total Buyout Amount	Payment Terms	Initials
\$	Lump Sum Payment at time of Separation	

Employee Signature \_\_\_\_\_

HRO Representative Signature

Date \_\_\_\_\_

Encl 3



**FORM A-2**  
**VOLUNTARY SEPARATION INCENTIVE PAY AGREEMENT**  
**BI-WEEKLY INSTALLMENT PAYMENT**

1. Title 5, United States Code 9902(i) authorizes the Secretary of Defense to establish a program to pay a Voluntary Separation Incentive Payment (VSIP) or buyout to eligible employees. This is to certify that my application for the buyout is voluntary and the effective date of my separation will be \_\_\_\_\_. I understand that my request for the personnel action and the payment terms are irrevocable.
2. I understand that an employee who receives a buyout on the basis of a separation occurring on or after March 30, 1994, and accepts employment with the Government of the United States (including employment in non-appropriated fund instrumentalities or with a agency of the United States through a personal services contract with the United States) within 5 years after the date of separation on which payment of the buyout is based, will be required, absent an authorized waiver, to repay the entire amount of the buyout (gross, before taxes and deductions) to the Federal agency that paid the buyout.

Name: \_\_\_\_\_  
Last First MI

SSN: \_\_\_\_\_

Total Buyout Amount	Payment Terms	Initials
\$	Equal bi-weekly payments of \$ until my buyout is paid in full.	

This is to certify that I have been counseled by the Human Resource Office and agree to the conditions and terms of the buyout.

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
HRO Representative Signature

\_\_\_\_\_  
Date

"This information is subject to the Privacy Act of 1974, as amended."



**FORM A-3**  
**VOLUNTARY SEPARATION INCENTIVE PAY AGREEMENT**  
**6-MONTH INSTALLMENT PAYMENT**

1. Title 5, United States Code 9902(i) authorizes the Secretary of Defense to establish a program to pay a Voluntary Separation Incentive Payment (VSIP) or buyout to eligible employees. This is to certify that my application for the buyout is voluntary and the effective date of my separation will be \_\_\_\_\_. I understand that my request for the personnel action and the payment terms are irrevocable.
  
2. I understand that an employee who receives a buyout on the basis of a separation occurring on or after March 30, 1994, and accepts employment with the Government of the United States (including employment in non-appropriated fund instrumentalities or with a agency of the United States through a personal services contract with the United States) within 5 years after the date of separation on which payment of the buyout is based, will be required, absent an authorized waiver, to repay the entire amount of the buyout (gross, before taxes and deductions) to the Federal agency that paid the buyout.

Name: \_\_\_\_\_  
Last First MI

SSN: \_\_\_\_\_

Total Buyout Amount	Payment Terms	Initials
\$	Receive one half of my buyout in the amount of \$ _____, 6 months following the date of my separation and the second half in the amount of \$ _____ 6 months later.	

This is to certify that I have been counseled by the Human Resource Office and agree to the conditions and terms of the buyout.

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
HRO Representative Signature

\_\_\_\_\_  
Date

“This information is subject to the Privacy Act of 1974, as amended.”